

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2280 - SB 2331

March 2, 2018

**SUMMARY OF BILL:** Authorizes Montgomery County to issue, revoke, and suspend licenses for the storage, sale, manufacture, and distribution of beer in a county-owned park located within the corporate boundaries of a municipality. Expressly authorizes Montgomery County to issue a temporary permit authorizing the sale of beer at such county-owned parks.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact - Due to numerous unknown factors, the extent and timing of any impacts to state and local government cannot be determined; however, any such impacts are assumed to be positive for state and local government.**

Assumptions:

- Pursuant to Tenn. Code Ann. § 57-5-106(a), all incorporated cities in the state of Tennessee are authorized to pass proper ordinances governing the issuance and revocation or suspension of licenses for the storage, sale, manufacture and/or distribution of beer within the corporate limits of the cities and towns, but the power of such cities to issue licenses shall in no event be greater than the power herein granted to counties; however, cities, towns and Class B counties may impose additional restrictions, establishing zones and territories and providing hours of opening and closing and such other rules and regulations as will promote public health, morals and safety as they may by ordinance provide.
- Pursuant to Tenn. Code Ann. § 57-5-105(g)(1), a temporary license or permit issued by a local government authorizing the licensee or permittee to temporarily engage in the sale, storage or manufacture of beer, expressly prohibits the licensee from doing so on publicly-owned property.
- Authorizing Montgomery County to issue permits and licenses for the sale, storage or manufacture of beer within such county-owned parks is estimated to result in additional fee revenue to the Montgomery County Beer Board.
- The cost of issuance for any such permit or license is unknown.
- To the extent that permits and licenses are issued, and subsequently, events, both large and small are held in such county-owned parks, additional state tax revenue may be realized through the additional beer sales, resulting in an increase in state and local

revenue through increased collections of state and local sales and use tax, beer barrelage tax, and wholesale beer tax revenue.

- The current state sales tax rate is 7.0 percent; the average local option sales tax rate is estimated to be 2.5 percent; the effective rate of apportionment to local government pursuant to the state-shared allocation is estimated to be 3.617 percent.
- The beer barrelage tax is \$4.29 per 31 gallon barrel.
- The wholesale beer tax is \$35.60 per 31 gallon barrel.
- This legislation is not estimated to result in any additional beer manufacturers.
- Due to numerous unknown factors, any impact as a result of this legislation cannot be reasonably quantified; however, any such impact is generally assumed to be positive to state and local government.

### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jdb